



## **Tourism Impacts on Gateway Communities**

Review of the issue from Park County,  
the City of Livingston, and the community of Cooke City

We draw tax revenue from 12,000 properties in Park County. That is the base from which we work to meet the needs of 16,000 residents and more than a million visitors. Our residents and guests expect, need, and deserve services and infrastructure that local taxpayers cannot support. The numbers just don't work with available funding tools. We are struggling to meet increasing non-resident demands on law enforcement, search and rescue, fire, dispatch, emergency medical, roads, bridges, sewer, and water. Resort taxes in Gardiner and Cooke City are of great benefit to those communities, yet much of the burden falls on Park County and on Livingston, where that funding tool is not available.

We are home to 2 of Yellowstone's 5 entrances, the only that are open all year. Of the 4.1 million visitors to Yellowstone in 2017, 990,000 were counted at Park County's North and Northeast entrances. That number has grown by 50% over the past 10 years.

An average of 14,000 vehicles per day traveled through Park County on I-90 in 2016. They are certainly not all residents. Snow or ice covered roads and/or high winds often require sophisticated, dangerous, and expensive emergency medical, fire, and law enforcement response.

Montana Bed Tax records show that Park County is near the top of the state-wide heap in terms of 10 year growth in lodging revenues with an increase of 72%. Lodging revenue in Gardiner has grown a stunning 111% in those 10 years.

Our tourism sector is growing, bringing great economic benefit. We enjoy and share natural and cultural capital here that can't be found anywhere else and it's a huge draw. A large segment of our population makes a living serving these guests, one way or another. Montana hosted 12 million non-resident visitors in 2017. Preliminary numbers show they spent \$3.29 BILLION while they were here. Park County's share of non-resident spending in 2016 was \$174.7 million.

Those impressive visitor and spending numbers are often repeated. What's missing from those press releases is the expense side of the equation. Any operation, private or public, ignores expenses at their peril. We in Park County and Livingston look at them every day because we can't keep up.

We need your help.

Montana collects 7% in taxes from overnight guests across the state (\$53.7m in 2017). Four percent (\$30.7m) of that is used, primarily, to attract more guests. Three percent (\$23m) goes to the state general fund. It's a revenue source that is fairly well tied to guests, limiting impacts on residents. It is collected and tracked down to the County and, in many cases, community level. It is not designed to meet the fundamental infrastructure and emergency services needs of guests here at the local level. We do not have a funding tool for that.

Funding from the federal and state levels is slowing down at an alarming rate and is too often accompanied by a level of uncertainty that makes it very hard for us to do our jobs. More and more is falling on our plate at the local level.

We are looking for new funding options that will shift some of the local burden to our visitors so that we can continue to serve them. It is not good business, or good government, to drive business without providing the foundation for it. We feel that a local option tax with flexibility at the local level would not only help our community, but other Montana communities as well.

With the tools we currently have, we have few options but to ask our taxpayers to dig deeper. We are working on that. Given our experience and the trends, that is not a sustainable solution and it's not going to build our community and our economy.

We will bring a team to Helena for your meeting on March 15. That team will include:

Harold Blattie, MACo Executive Director	Bill Berg, County Commissioner
Mike Kardoes, Livingston City Manager	Scott Hamilton, County Sheriff
Erica Strickland, County Finance Director	Deb Purvis, Cooke City Water District President
Troy Wilson, Cooke City Fire Chief	

We know this is not a new topic. The need is growing beyond our ability to deal with it and we want to make sure that you are aware of the challenge.

We need your ideas. We need your help. We look forward to meeting with you on March 15.

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Sources:

- <https://irma.nps.gov/Stats/SSRSReports/Park%20Specific%20Reports/Traffic%20Counts%20High-Low-Close%20Graph?Park=YELL>
- <http://www.mdt.mt.gov/publications/datastats/traffic.shtml>
- <http://marketmt.com/Resources/LodgingFacilityUseTax>
- <http://itrr.umt.edu/Publications/spending.php>